

DATE DISTR. 30 March 1948

NO. OF PAGES 2

NO. OF ENCLS.
(LISTED BELOW)

**SUPPLEMENT TO
REPORT NO.**

5X1X

1. Q. Describe the nature of liaison between the Yugoslavian Foreign Office and the Politburo of the Communist party. Is the control of the decisions of the Foreign Office effected by the political commissars holding positions in the Foreign Office? Does the Foreign Office maintain a separate liaison unit placed by the Politburo, or are the Politburo's instructions, approvals, and overrulings issued separately in each instance by Kardelj and/or other leading figures in the Politburo?

A. Since Apr 47 the Foreign Office has held daily councils to discuss its day's business and plot its course of action on minor routine matters. Conferencees, with the exception of the Minister, are all party members who hold key posts as undersecretaries, secretaries general, or departmental chiefs. In theory, the Minister is supposed to refer all important matters to the Prime Minister. In practice, however, one of the undersecretaries usually takes up the matter with Kardelj, Gijlas, or Tito and receives an immediate decision. In the majority of cases, important problems are thus decided before they are, for appearance sake, referred to the Prime Minister. It is my impression that liaison between the Foreign Office and the top party organs is effected through the undersecretaries.
2. Q. What is the nature of control exerted by the Foreign Office over the Ministry of Foreign Trade? Is this a control of the Foreign Office or of the political commissars in the Foreign Office? Who are these political commissars? Name them.

A. The Foreign Office has no representatives to control or co-ordinate the activities of the Ministry of Foreign Trade, nor is there a party control exercised through party members in the Foreign Office. Undersecretaries complained repeatedly over this lack of control.
3. Q. It is stated that the Ministry of Finance, the Ministry of Railways, and the Post Office deliberately ignore the Foreign Office. Discuss this point in further detail. Give some specific instances.

SECRET

[illegible]

SECRET

SECRET

25X1A□

- A. The effort to establish and maintain complete control of the vast state machinery by the top party organs resulted in a rigid vertical party control while horizontal control or co-ordination of institutions on a common level was neglected. This lack of co-ordination between institutions on the same level can also be ascribed in part to the peculiar mentality developed in a police state, particularly a Communist one. A Communist Party member, to whom the management of an institution is entrusted, is expected to carry out instructions received from a higher level even though he disapproves of the instructions. He must not "criticize" his orders even in the event that they are subsequently rescinded as "mistakes." He knows that failure to comply with instructions may result in removal from office and loss of those special benefits connected with his position. At the same time, he knows that advancement and personal security come only to those who obey unquestioningly. All this knowledge breeds cringing deference to superiors, complete indifference to equals, and a bullying attitude toward subordinates.

Another reason for the lack of co-ordination on the same level is the general atmosphere of suspicion. Each person suspects everyone else and therefore takes the wise course of isolating himself and evincing interest in no business but his own. It is particularly unwise to show interest in any activities which may be of a confidential nature.

Following are instances where government departments have deliberately ignored the Foreign Office; there are possibly others:

- (a) The Ministry of Railways accepted less coal for reparations than the Hungarian Government was prepared to offer to other representatives of the Yugoslav Government.
- (b) The Post Office sent delegates to a telecommunication conference without consulting the Foreign Office.
- (c) The Ministry of Railways, without notifying the Foreign Office, negotiated with the Czechoslovakian Government regarding transportation and tariffs.
- (d) In matters pertaining to the World Bank, the International Fund, and the appointment of conference delegates, The Ministry of Finance habitually formulates its own policies and informs the Foreign Office only after action has been taken.

-end-

SECRET

SECRET